

**Access Online** – U.S. Bank’s secure, web-based account management system.

**Accounting Controls** – Processes and procedures to ensure against the improper use of state assets through unauthorized transactions, improperly maintained accounting records, and appropriate separation of duties.

**Advanced Procurement Authority** – Purchases between \$5,000 and \$50,000 require Advanced Procurement Authority unless purchasing from a Master Agreement (a common use, competitively bid state contract).

**Agency** – For the purposes of the Pcard Program, references to “Agency” includes any State of Iowa department, division, agency, bureau, enterprise, unit, or other entity with a Managing Account under the State Pcard Program.

**Agency Accounts Payable** – The Agency’s financial representatives who participate in all or part of the reconciliation, pre-audit and payment process of the Agency’s U.S. Bank Managing Account statement.

**Agency Enrollment** – State entities wishing to participate in the Pcard Program must complete an Agency Enrollment Application to set up a new “Managing Account” (department name, contact info, etc.) with U.S. Bank.

**Agency Pcard Coordinator** – The State employee designated to coordinate all Pcards/Travel Cards issued to their Agency (Division, Bureau, etc.) and whose signature is required on all applications and change request forms.

**Agency Pcard Program Management/Administrators** – Agency representatives (supervisors, Pcard coordinators, budget analysts, accounts payable) responsible for managing their internal purchasing card program in compliance with state procurement code, DAS administrative rules, the State of Iowa Purchasing Card Policy and Procedures Manual, and any internal guidelines or procedures their Agency may require.

**Allocation** – The process of assigning the appropriate I/3 accounting strings to each transaction (if different from the default accounting string) in Access Online; may be performed by the cardholder or designated Agency administrator.

**Allocation Window** – The 15 calendar days between the billing cycle close date and I/3 interface in which transactions must be verified or reallocated in Access Online to ensure accurate information is uploaded to the draft PRC. (Statement date = Day 1. Allocation deadline = Day 15. Data extraction/PRC creation follows.) Internal processing deadlines should be made accordingly to meet the Interface timeline.

**Banking Cycle** – The (U.S. Bank) banking cycle usually ends on the 20<sup>th</sup> day of the month. Cardholder and Managing Account Statements are available for download the following morning. If the 20<sup>th</sup> day falls on a weekend or holiday, the cycle will end at midnight on the next business day.

**Card Activation** – before a new card may be used, the new card must be signed and activated by calling the 800# on the card.

**Card Cancellation** – To cancel a card, cut it horizontally through the card numbers and magnetic strip, and send to the Agency Pcard Coordinator. The Agency Pcard Coordinator will submit a completed Pcard/Travel Card Change Request Form to the State Pcard Program Specialist for card cancellation through U.S. Bank.

**Card Renewal** – A renewal card will be automatically issued before the card expiration date. Cards do not expire until the end of the month of expiration.

**Cardholder** – A State of Iowa employee authorized by his/her Supervisor to receive a Pcard and make purchase transactions on behalf of the State.

**Cardholder Agreement** – A completed Cardholder Agreement (Pcard and/or Travel Card according to card type being issued) with all required signatures must be submitted by the Agency Pcard Coordinator to the State Pcard Program Specialist before a card may be released.

**Cardholder Eligibility and Application Process** – only permanent state employees are eligible to receive state purchasing cards, unless an exception is otherwise approved by State Pcard Management (submit requests to the State Pcard Program Specialist). A completed [Cardholder Application](#) with all required signatures must be submitted by the Agency Pcard Coordinator to the State Pcard Program Specialist.

**Cardholder Liability** – The Pcard is a credit card that carries corporate, not individual, liability. However, it is the Cardholder's responsibility to ensure the Pcard is used within stated guidelines of this Policy and Procedures Manual.

**Cardholder Statement** – the cardholder's individual account memo statement, downloaded from Access Online to match and reconcile receipts/invoices of purchases authorized by the cardholder. This statement is NOT used for payment of the managing account.

**Cardholder Supervisors** – Supervisors with managerial and disciplinary authority.

**Cardholder Training** – Mandatory online training modules located on the State Pcard website (Pcard 101 and/or Travel Card 101) are required for all Cardholders and Agency Pcard Coordinators. Additional procurement training may be required depending upon amounts and types of purchases made.

**Cash Advances** – Prohibited on State Purchasing Cards (ATMs are blocked).

**Compliance** – Purchasing card usage will be monitored, and Agency audits may be performed at any time to ensure activities comply with Pcard Program and State of Iowa requirements. Violations by any employee involved in the purchasing card process may result in administrative and disciplinary action including: card suspension, revocation, discipline for misconduct and/or corrective action of performance, civil legal action to reimburse the State for unauthorized purchases (including garnishment of wages to the extent allowed by law), potential termination, and/or referral to law enforcement authorities for criminal prosecution.

**Convenience Fees** – Fees a supplier may charge when purchases are made via one form of payment channel over another – i.e. online or by phone vs. in store or by mail. Visa and MasterCard have strict rules and regulations regarding the application of such fees. They must be disclosed prior to transaction and several conditions must be met. Agencies should evaluate the most cost-effective purchase option when deciding whether such fees are acceptable.

**Declined Transactions** – Agency Pcard administrators may review their Cardholders' pending authorizations in "real time" in Access Online, including explanations for declined transactions. **U.S. Bank Customer Service (1-800-344-5696)** may also assist Cardholders in determining the reason the Pcard was declined – such as account restrictions, exceeding card limits, etc.

**Default Accounting Codes and Allocation** – The fund, department unit and object code mapped to an individual purchasing card that will automatically be applied to every transaction unless otherwise mapped by MCC or reallocated by a cardholder or administrator in Access Online. In addition, some **Merchant Category Codes (MCCs)** have been mapped to specific object codes based on the business type. In many cases, these default codes will need reallocated to a specific object code or cost center so transactions are accurately allocated to the appropriate accounting string when the data interface generates the PRC in I/3.

**Department of Administrative Services (DAS) Central Procurement Enterprise (CPE)** – DAS CPE facilitates the purchase of goods and services for State agencies through cooperative and proactive procurement practices and Master Agreements for general use. The State Purchasing Card Program is administered by DAS CPE.

**Department Travel Card** – A Travel Card issued to an individual designated by the Department Head as the Travel Coordinator for their department. It may ONLY be used for travel-related expenses of the department's employees and should NOT leave the possession of the Travel Coordinator.

**Disaster Declaration Emergency Plan** – Coordination of “emergency” card activation or changes by the Agency's Pcard Coordinator with the State Pcard Program Specialist in the event of an official Disaster Declaration (tornado, floods, etc.). Cardholders must save receipts, invoices, etc., during the emergency to verify purchases and support future FEMA (Federal Emergency Management Agency) claims for reimbursement.

**Disputed Charges** – Disputed charges can result from failure to receive goods or services, unauthorized charges, defective merchandise, incorrect amounts, duplicate charges, or credits not processed, among other reasons. If resolution does not occur after follow-up with the vendor, contact the Agency Pcard Coordinator or U.S. Bank Customer Service (1-800-344-5696) for assistance. Disputes must be initiated within 60 days of the transaction.

**Electronic Statements** – U.S. Bank does NOT issue paper statements. Cardholder and Agency Managing Account Statements must be downloaded and printed via [Access Online](#).

**Fraud, Lost or Stolen Cards** – The State Agency is responsible for paying all charges resulting from stolen or misused cards. Once U.S. Bank has been notified and completes an investigation, charges will be reversed and reflected on a later statement. After notifying U.S. Bank, Cardholders should email their Supervisors, Agency Pcard Coordinator, and State Pcard Program Specialist immediately. Compromised cards will be cancelled and new cards will be issued.

**Ghost Card** – A Pcard designated for use with a specific, high-volume supplier, or category of suppliers, and restricted by MCCs. An actual card may or may not be issued.

**Hibernation** – For risk management purposes, the practice of reducing card limits to \$1 during extended periods of inactivity or Cardholder absence, such as maternity leave, military duty or other extended leave of absence. Cards may be voluntarily hibernated after 90 days (pending notification).

**I/3** – Financial software system used by State Accounting Enterprise (SAE).

**I/3 Data Interface** – The monthly transmission of transaction data from Access Online (U.S. Bank) to I/3 (SAE) that streamlines the payment process by automatically generating PRC payment documents using the allocation information from Access Online.

**Individual Travel Card** – A Travel Card issued in the name of an employee (approved by the department head) and used for appropriate expenses for the employee only. Expenses for other employees shall not be charged on this card.

**Informal Quotes/Bids** – Three (3) informal quotes must be obtained for purchases up to \$50,000 (see [Informal Quote Documentation](#) form) IF purchases are: a) goods of any amount from a non-contract vendor; b) services above \$5,000 from a non-contract vendor, or c) from a certified TSB in excess of \$10,000.

**International/Foreign Currency Transactions** – Foreign currency transactions are prohibited unless otherwise requested by the Agency. Manual transactions may be arranged for infrequent international purchases.

**Iowa Department of Management (IDOM)** – The planning and budgeting agency within the executive branch of Iowa state government. Goods or service contracts above \$25,000 may require IDOM approval. (Some exceptions apply; see [IDOM Approval Form](#).)

**Iowa Prison Industries (IPI)** – The “work arm” of the [Iowa Department of Corrections](#), which teaches employable skills to offenders to help them succeed upon release. Purchases from IPI are prohibited on Pcards (since an interdepartmental expense between state agencies).

**Managing Account** – The U.S. Bank account for a specific State agency, department, unit, or other entity in the State’s Purchasing Card Program under which all of their cardholders are assigned.

**Managing Account Statement** – The Agency’s “corporate” billing statement used to pay all cardholder transactions under the managing account.

**Master Agreement (MA)** – A competitively bid state contract for goods or services of common use. Purchases may be made from MAs without additional competitive bids.

**Merchant Category Codes (MCCs)** – A standard code that the credit card industry maintains to categorize merchants. Restricting certain codes helps protect the State against unauthorized or prohibited purchases.

**Monthly Credit Limits** – All Pcards have monthly credit limits – the maximum dollar amount that may be charged within a billing cycle.

**Online Security** – Basic requirements for online Pcard transactions to maintain card security. They include: secure internet connections (no public Wi-Fi or free “hot spots”); trusted, secure websites featuring logos such as VeriSign, TRUSTe, BBBOnline, or “https” in the website’s URL address; and state issued equipment to ensure the most current security software updates for its operating system, application, and browser are in place. Emailing card information and purchases from eBay, its subsidiaries, or any similar auction sites are prohibited.

**Pcard/Travel Card Change Request Form** – Documentation submitted by the Agency Pcard Coordinator to the State Pcard Program Specialist for all requests for adjustments to card limits, settings or other controls.

**Payment Analytics** – U.S. Bank’s card monitoring system to help detect high-risk transactions or inappropriate use – such as split transactions or a prohibited MCC purchase attempt. Specific rules may be customized upon an Agency’s request to trigger email alerts.

**Pending Authorizations** – Purchase transactions that have not yet posted to an account. Agency administrators can view pending authorizations in Access Online until they are either 1) approved and posted to the Transaction List in Access Online or 2) denied and captured in a Declined Transaction Report.

**Payment Request Commodity (PRC)** – The payment document generated in I/3 (the State of Iowa financial system) which pays the Managing Account monthly balance.

**Pre-Contract Questionnaire (PCQ)** – A Pre-Contract Questionnaire (PCQ) is required with any service purchase of \$1,000 or more (one-time or in aggregate).

**Purchase Incentives** – Any rewards points, cash, or cash-like value incentives earned because of State of Iowa purchases are the property of the State and may not be used for personal gain. Examples of such incentives include, but are not limited to gift cards, two-for-one purchases, and spend rewards.

**Purchasing Card (Pcard)** – A commercial credit card issued to State employees for the purchase of goods and services for State business. The State's cards are VISA cards issued by U.S. Bank.

**Segregation of Duties** – Requirement that at least two people are substantially involved in the transaction, reconciliation and pre-audit process. Substantial involvement means that a person other than the Cardholder is reviewing card transactions for appropriateness and approving or denying accordingly.

**Single Transaction Limits** – All cards are assigned a single transaction limit (STL). An STL is the amount available on the card for an individual purchase and includes the purchase price (minus sales tax).

**Split Transactions** – The practice of splitting transactions to avoid single transaction or monthly credit limits is strictly prohibited.

**State of Iowa Administrative Code (IAC)** – Composite of all rules adopted and administered by executive branch agencies to implement state law and policy. Procurement rules are contained in Chapters 117-120.

**State of Iowa "Buying Basics"** – DAS CPE's web-based training that provides a general overview of state procurement rules to help ensure Pcard purchases are in compliance.

**State of Iowa Tax Exempt Status** – The State of Iowa is exempt from paying Sales and Use Tax within the State of Iowa under 2014 Iowa Code, Section 423.3(31). It is the **Cardholder's responsibility** to ensure tax is not charged. A copy of the current Iowa Department of Revenue's Tax Exemption Letter may be provided to suppliers for verification of tax-exempt status.

**State of Iowa's Purchasing Card Policy & Procedures Manual** – Iowa's official guide for State Pcard and Travel Card compliance.

**State Pcard Program Analyst** – Member of the State Pcard Team who provides advanced financial analysis for strategic planning and program growth, including risk management, compliance and fraud prevention, as well as operational support.

**State Pcard Program Manager** – Member of the State Pcard Team responsible for strategic oversight. Leads purchasing card program in identifying opportunities, setting goals, developing relationships, creating program materials, implementing policies, overseeing training, and communicating official announcements.

**State Pcard Program Management** – DAS CPE and State Pcard Team members who oversee the State Purchasing Card Program.

**State Pcard Program Specialist** – Member of the State Pcard Team who performs daily operations. Serves as the main point of contact for Agency Pcard Coordinators and the primary liaison with U.S. Bank customer service. The State Pcard Specialist also issues Pcards to State employees, manages day-to-day Pcard program activities, and ensures guidelines are being followed.

**Suppliers** – Vendors, merchants, and “contractors” who provide goods and services to the State. They may or may not have a Master Agreement in place (a common use, competitively bid contract with the State).

**Surcharges** – Fees imposed as an extra charge when payments are made by credit card vs. another payment method – such as cash or check. Visa and MasterCard have strict rules and regulations regarding the application of such fees. They must be disclosed prior to transaction and several conditions must be met. Agencies should evaluate the most cost-effective purchase option when deciding whether such fees are acceptable.

**Targeted Small Business (TSB)** – Pcard purchases from certified Targeted Small Business’ (minority, women-owned, and disability vendors) are encouraged. The competitive bid process is exempt for TSB purchases up to \$10,000.

**Travel Card** – a purchasing card used exclusively for specific conference and travel-related expenses.

**Travel Coordinator** – the individual named on the Department Travel Card responsible for making registration and out-of-state travel arrangements for other employees and processing supporting documents for payment. The Department Travel Card should not leave the Travel Coordinator’s possession.

**U.S. Bank** – By virtue of the State’s Master Agreement, U.S. Bank is the only authorized provider of card services for government entities bound by Iowa Administrative Code, and the State of Iowa Pcard is the only card to be used when procuring goods and services for State business.

**Velocity Settings** - Velocity settings limit the number of transactions allowed during a specified period, such as no more than five (5) per day.



### **State of Iowa Pcard Team**

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*Get with the program – the Pcard Program!*

Visit: [State of Iowa Pcard Program](#) • email: [Pcard@iowa.gov](mailto:Pcard@iowa.gov)

**U.S. Bank 24-Hr Customer Service: 1-800-344-5696**

**U.S. Bank Fraud Department: 1-800-523-9078**